



BOARD CHARTER

This Charter has been approved by the
Board of Iluka Resources Limited (14 December 2021)

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1 Introduction

- 1.1 In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, ethically, diligently and in accordance with the law in serving the interests of the shareholders of Iluka Resources Limited (“the Company”), as well as its employees, customers, and the local communities where it operates. It works to promote and maintain an environment within the Company that establishes these principles as basic guidelines for all of its employees and representatives at all times.

2 Role of the Board

- 2.1 The Board is responsible for:
- (a) demonstrating leadership;
 - (b) appointing and removing the Managing Director, receiving recommendations from the People and Performance Committee and determining his or her remuneration and terms and conditions of employment, and assessing the performance of the Managing Director and, through him or her, the Executive;
 - (c) appointing non-executive directors, receiving recommendations from the People and Performance Committee and approving their terms of appointment and remuneration arrangements including fees and other benefits;
 - (d) setting the strategic objectives, approving strategies and financial objectives of the Company and ensuring appropriate resources are available;
 - (e) monitoring the implementation of, and holding the Managing Director to account for his or her implementation of, the strategic objectives, instilling of the Company’s values, the achievement of those financial objectives, and performance generally; The Managing Director will in turn hold senior management to account;
 - (f) reporting to shareholders and the investment community on the performance and state of the Company; and
 - (g) approving the Company’s purpose and values, and monitoring and guiding the culture, reputation and standards of conduct of the Company.

- 2.2 In performing the responsibilities set out above the Board must act at all times:
- (a) in a manner designed to create and build sustainable value for shareholders; and
 - (b) in accordance with the duties and obligations imposed upon it by the Company's Constitution and by law.

3 Powers / Duties

3.1 In addition to matters expressly required by the Constitution or the law to be approved by the Board, the Board has specifically reserved the following responsibilities for its decision:

3.2 Risk management

- (a) reviewing, approving and overseeing systems of financial and non-financial risk management for current and emerging risks and internal control and legal and ethical compliance. This includes, with the assistance of the Audit and Risk Committee, reviewing processes to identify the main risks associated with the Company and reviewing processes and systems in place to manage these risks;
- (b) approving the risk appetite within which the Board expects management to operate;
- (c) developing an understanding of key risk areas and the consequences of major risk events;
- (d) receiving recommendations from the Audit and Risk Committee regarding material incidents involving fraud or other break down of the Company's internal controls;

Financial reporting

- (e) reviewing and approving external financial and selected other reporting to shareholders and the financial market, and approving any public statements which reflect significant issues of Company policy or strategy;
- (f) overseeing the integrity of the Company's accounting, corporate and financial reporting systems (including the external audit) and disclosure processes (including the process to verify the integrity of any periodic reporting released by the Company);

- (g) approving the appointment and removal of the external auditor, the external auditor's terms of engagement, and the rotation of the external audit partner;
- (h) approving the appointment and removal of the head of internal audit;
- (i) approving major capital expenditure, capital management, acquisitions and divestitures, and including the acquisition, establishment, disposal or cessation of any significant business of the Company;
- (j) any matters in excess of authorities that, from time to time, it may have delegated to the Managing Director and senior management (for example, in relation to capital expenditure);

Strategy

- (k) contributing to the development of, and approving, the strategic plan;
- (l) reviewing and approving business plans and operating budgets, including the setting of performance objectives;
- (m) defining the Company's purpose and approving the Company's values and Code of Conduct, and monitoring corporate culture;

Financials

- (n) monitoring the Company's operational and financial position and performance;
- (o) approving the Company's financial policies and financial statements;
- (p) overseeing compliance with control and accountability systems, regulatory requirements and ethical standards;
- (q) approving and monitoring the financial and other operational reporting mechanisms for adequate, accurate and timely information being provided to the Board and reviewing those processes annually;
- (r) approving processes, procedures and systems to ensure that financial results are appropriately and accurately reported on a timely basis;

Remuneration

- (s) receiving recommendations from the People and Performance Committee and approving the remuneration packages and conditions of service, including financial incentives, for the Chief Financial Officer, Company Secretary, and other direct reports to the Managing Director, and ensuring that this framework is aligned with the Company's purpose, values, strategic objectives, and risk appetite;
- (t) receiving recommendations from the People and Performance Committee and approving superannuation arrangements for directors, direct reports to the Managing Director and other employees;
- (u) receiving recommendations from the People and Performance Committee and approving the remuneration arrangements for the Chairman and the non-executive directors, including fees and other benefits;

Nominations and Governance

- (v) upon the Managing Director's recommendation, ratifying the appointment and, where appropriate, the removal of, the Chief Financial Officer, the Company Secretary and other direct reports to the Managing Director;
- (w) reviewing and approving on a regular and continuing basis Board succession planning (in particular the Chairman and Managing Director) and development activities;
- (x) monitoring compliance with the Company's Anti-Bribery and Corruption Policy and receiving information regarding any material breaches of the Anti-Bribery and Corruption Policy and actions taken by management in relation to such breaches;
- (y) approving the issue of any new securities in the Company, including the issue of new securities as recommended by the People and Performance Committee in relation to the Company's executive and employee incentive plans;
- (z) approving any changes to the discretions delegated from the Board;
- (aa) reviewing and approving the Company's Board skills matrix;
- (bb) receiving recommendations from the Nominations and Governance Committee and approving changes to the corporate governance framework, practices and processes;

Sustainability

- (cc) measuring and reviewing the Group's performance with respect to sustainability and climate change targets;
- (dd) approving the Group's public sustainability and ESG targets and position statements (including with respect to climate);
- (ee) reviewing annually the Company's climate related risks and opportunities and approving climate related disclosures made by the Company;
- (ff) receiving reports from the Sustainability Committee on external material trends with respect to sustainability and approving any changes required;

Health, safety, environmental, and community (**HSEC**)

- (gg) reviewing on an annual basis whether the Company has material exposure to health, safety, environmental, and community (**HSEC**) related risks, including environmental and social risks, and approving risk management programmes;
- (hh) reviewing reports prepared by the Sustainability Committee in relation to the monitoring of HSEC matters including incidents, investigations and reporting; and
- (ii) approving key HSEC policies and strategies.

4 Board Membership

- 4.1 Appointments to the Board are based on merit against objective criteria that serve to maintain an appropriate balance of skills and experience on the Board. The Nominations and Governance Committee leads the process for Board appointments and makes recommendations to the Board.
- 4.2 It is intended that the Board comprise a majority of independent directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.

5 Independence and Interests

- 5.1 The Board will receive recommendations from the Nominations and Governance Committee as to the independence of each director.

- 5.2 In general, a director will be considered to be 'independent' if the director is a non-executive director (i.e. is not a member of management) and:
- (a) is not, does not represent, and has not been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder of the Company;
 - (b) is not employed, or been previously employed in an executive capacity by the Company or another group member, or where they were previously employed in such a capacity, there has been a period of at least three years between ceasing such employment and serving on the Board;
 - (c) does not receive performance-based remuneration (including options or performance rights) from, and does not participate in an employee incentive scheme of, the Company;
 - (d) is not, and has not been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or other group member, or an officer of or otherwise associated with someone with such a relationship;
 - (e) does not have close personal ties with any person who falls within any of the categories described above;
 - (f) has not served on the Board for such a period that his or her independence from management and substantial holders may have been compromised; and
 - (g) is free from any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of any individual shareholder or other party.
- 5.3 The Board will consider the materiality of the directors' interests, position or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles.
- 5.4 All assessments as to whether a director is independent are made by the other members of the Board.
- 5.5 Directors must avoid situations where their interests and the interests of the Company conflict, and for this purpose, must adhere to the Director Conflicts of Interest Policy annexed to this Charter.

6 Board Committees

- 6.1 The Board from time to time establishes committees to assist it in carrying out its responsibilities, and approves charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.
- 6.2 The Board has established the following committees:
- (a) Audit and Risk Committee;
 - (b) Nominations and Governance Committee;
 - (c) People and Performance Committee; and
 - (d) Sustainability Committee.
- 6.3 The Board may also delegate specific responsibilities to ad hoc committees or working groups from time to time.
- 6.4 All directors who are not members have a standing invitation to attend committee meetings and senior managers and other employees may attend by invitation as appropriate.
- 6.5 Following each committee meeting, the Board is provided with a report on meeting proceedings by the Committee Chairman as well as the minutes of that meeting. A copy of the committee papers is available for the Board.

7 The Chairman

- 7.1 The directors will elect one of their number, who will be independent and non-executive, to the office of Chairman and may determine the period for which that director is to be Chairman.
- 7.2 The Chairman is responsible for leadership of the Board, for promoting constructive and respectful relations between directors and between the Board and management, for ensuring that the Board functions effectively, and for communicating the views of the Board (including through the Managing Director) to shareholders and the public. In performing this role the Chairman's responsibilities include:
- (a) setting the agenda of matters to be considered by the Board and ensuring that adequate time is available for discussion of all agenda items, including strategic issues;

- (b) managing the conduct, frequency and length of Board meetings so as to ensure that the Board maintains an in-depth understanding of Iluka's performance and the opportunities and challenges facing the Company;
- (c) facilitating the effective contribution of all directors, open and constructive communications between Board members and encouraging their contribution to Board deliberations;
- (d) acting as a mentor and independent sounding board to the Managing Director, advising the Managing Director on likely Board reactions to issues and proposals, keeping directors informally advised as necessary of such matters, convening special Board meetings as required and optimising the working relationship between the Chairman, Directors and Managing Director; and
- (e) initiating a review of the performance of the Board as a whole, its Committees and all individual directors on an annual basis.

8 The Managing Director

8.1 The Managing Director has responsibility for the following functions:

- (a) managing the Company;
- (b) recommending policy and strategic direction for Board approval; and
- (c) conducting the day-to-day operation of the Company.

9 Authority Delegated to Senior Management

9.1 Under the Constitution, the business of the Company is to be managed by or under the direction of the Board. The Board has specifically reserved some matters for its decision and delegates to the Managing Director authority for all other matters that are necessary for the day-to-day management of Iluka and its operations.

9.2 The delegation of authority to the Managing Director (and through him or her, to senior management) includes responsibility for:

- (a) implementing the Company's strategic objectives and instilling and reinforcing its values, and ensuring that all employees receive appropriate training on the values;
- (b) developing business plans, budgets and strategies for the Company for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;

- (c) operating the Company's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments in Iluka's businesses;
- (d) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (e) identifying and managing financial, non-financial, operational, HSEC, and any other risks and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;
- (f) managing the Company's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- (g) ensuring that the Board is provided with accurate, timely and clear information in regard to Iluka's operations, and in particular with respect to Iluka's performance, financial condition, operating results and prospects, to enable the Board to fulfil its responsibilities;
- (h) implementing the policies, processes and codes of conduct approved by the Board; and
- (i) implementing policies, processes and procedures for the management and development of the Company's employees.

10 Review Process and Assessment

- 10.1 The Chairman is responsible for ensuring that an annual performance evaluation is undertaken.
- 10.2 The evaluation will assess the performance of the Board, its Committees and individual directors. The performance evaluation will be conducted in such a manner as the Board deems appropriate. No director will be involved in or responsible for their own performance evaluation.
- 10.3 The results of the review of individual directors will be taken into account by the Board in determining whether to recommend in favour of a director's re-election.

11 Appointment

- 11.1 Non-executive directors are engaged through a letter of appointment that sets out the key terms and conditions related to their appointment.
- 11.2 New directors will be provided with a comprehensive induction program, including business briefings by management, and site visits.

12 Term of Office

- 12.1 The preferred limit on service by a director is 10 years unless otherwise requested by the Board to continue.
- 12.2 A director's term of office will at all times be subject to their election and re-election by shareholders as and when required by the Constitution, applicable law or ASX Listing Rules.

13 Access to Independent Advice

- 13.1 Each director may, with the written consent of the Chairman, seek independent professional advice at the expense of the Group on any matter connected with the discharge of their responsibilities.
- 13.2 The policy of the Board is that external advice will be made available to all directors, unless the Chairman agrees otherwise.

14 Meetings

- 14.1 The Board of directors will meet sufficiently regularly to discharge its duties effectively. The Company's Constitution governs the regulation of Board meetings and proceedings.
- 14.2 Directors will use all reasonable endeavours to attend Board meetings in person.
- 14.3 Papers for Board and committee meetings will be circulated to directors in advance of each meeting so that directors have a reasonable opportunity to review the papers.
- 14.4 Board and committee papers prepared by management are to be relevant, clear, complete, and concise.

14.5 The non-executive directors will periodically meet without management present to discuss the position of the Company and the performance of the management team.

15 Secretarial

15.1 The Company Secretary will be the secretary of the Board.

15.2 The Company Secretary will be accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

15.3 The Company Secretary is responsible for:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring that Board and committee policy and procedures are followed;
- (c) coordinating the timely completion, despatch, and storage of Board and committee agendas, papers and minutes;
- (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors.

15.4 Notices, minutes, agendas, and supporting papers will be made available to any director upon request to the Company Secretary, provided no conflict of interest exists.

15.5 All directors will have direct access to the Company Secretary.

Annexure 1: Director Conflicts of Interest Policy

1. What is a conflict of interest?

1.1. Under the Corporations Act 2001 (Cth) and general law, directors must avoid situations where their interests and the interests of the Company conflict. Common Directors' interests which sometimes give rise to such conflicts include:

- other directorships;
- potentially conflicting duties owed to other entities;
- outside investments of directors and their related parties; and
- outside employment or engagements.

1.2. When determining whether a particular interest, relationship or circumstance constitutes an actual, potential or perceived conflict of interest for a Director, the issue needs to be carefully considered having regard to the specific factual background including the materiality of the interest, relationship or circumstance from the director's and the Company's perspectives.

2. Duty to avoid conflicts of interest

2.1. Directors must take all reasonable steps to avoid actual, potential or perceived conflicts of interest.

3. Disclosure of interests

3.1. In the event that a director becomes aware of any current or potential conflicts of interest, the director must immediately notify the Chairman or the Company Secretary.

3.2. Directors may choose to submit standing notices of interest to all Board members. Otherwise, they must immediately disclose their interest in a matter being considered by the Board or Committee immediately on becoming aware of it.

3.3. Where the nature or scope of an interest previously disclosed to the Board materially changes, the director is required to provide further disclosure to the Board or Committee (as applicable).

4. Board procedures to manage conflicts of interest

- 4.1. Generally speaking, where a director has an actual or potential conflict of interest, or a conflict of interest might reasonably be perceived to exist, they:
- (a) cannot receive the relevant Board or Committee papers if the actual or potential conflict is recognised in advance of the distribution of the papers but may, at the discretion of the other directors, be advised that certain papers have been excluded;
 - (b) must absent themselves from the room when the Board or Committee discusses and votes on matters to which the conflict relates unless the other directors resolve the director in question may stay;
 - (c) cannot vote on the matter unless the other directors resolve that the director in question can vote;
 - (d) cannot have access to minutes of the Board or Committees in relation to the subject of interest; and
 - (e) must, if deemed appropriate by the Board or the director, take such other steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period.

5. Outside directorships, employment, and public office

- 5.1. Outside appointments or activity must not conflict with a director's ability to properly perform their duties, nor create an actual, potential or perceived conflict of interest.
- 5.2. Before accepting outside appointments or a position on the Board of directors of another company or organisation, directors must carefully evaluate whether the position could cause, or appear to cause, a conflict of interest.
- 5.3. Directors must consult with the Chairman or, in the case of the Chairman, with the chair of the Audit and Risk Committee, before accepting outside appointments or positions. Where a proposed outside appointment or position may cause, or appear to cause, a conflict of interest, the Chairman or chair of the Audit and Risk Committee, as applicable, may escalate the matter to the Board for further consideration.